



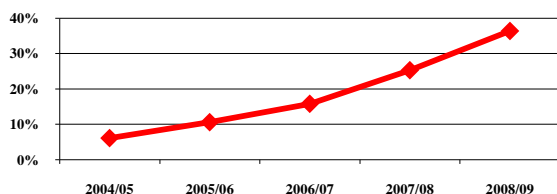
Ethiopia Economic Fact Sheet

United States Embassy Addis Ababa

Economic Highlights

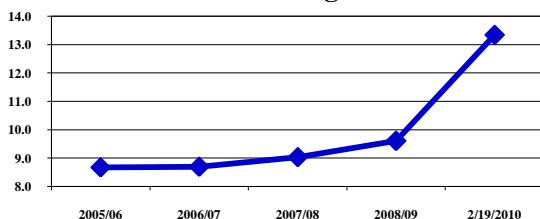
- Five year average real Gross Domestic Product (GDP) growth of 11.4%, nearly double the Sub-Saharan Africa (SSA) average of 6.0%
- The 2008/09 GDP growth was 9.9%, while IMF and WB estimate it at 6.5%
- Year-on-year inflation peaked at 64% in July 2008—second highest in SSA after Zimbabwe—but it declined to 8.1% in February 2010
- Real interest rates are negative as the minimum bank deposit rate remains at 4% and the average inflation rate is 5.1%
- Government depreciated the Birr by over 40% against the USD since 2008
- Foreign currency crisis plagues country: Reserves dropped to \$700 million in 2008, but now stand around \$1.85 billion (2.2 months import coverage)
- Rampant power outages forced factories to cease operations for several days each week in 2009

Average Annual Inflation



Inflation	2007/08	2008/09
Average Annual	25.3%	36.4%
Year-on-Year	55.2%	2.7%

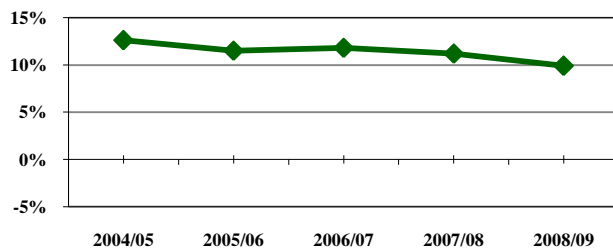
Birr/USD Exchange Rate



Birr/USD Exchange Rate	2007/08	2008/09
Average Annual	9.24	10.42
Period End	9.62	11.31

Note: Ethiopia's fiscal year runs from July 8 through July 7.

Real GDP Growth *

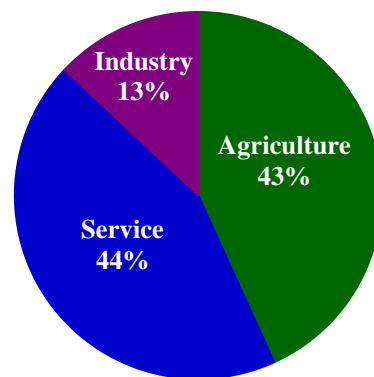


* IMF and World Bank estimate GDP growth at lower rates

(Billions)	2007/08	2008/09
Nominal GDP (\$)	26.9	32.3
Nominal GDP (ETB)	248.6	336.1
Real GDP growth	11.2%	9.9%
GDP per capita (\$)	344	404
Population (millions)	78.2	(est) 80.0

- Agriculture accounts for 43% of GDP and employs 85% of the population

Industrial Sector Percentages of 2008/09 GDP



Development Figures

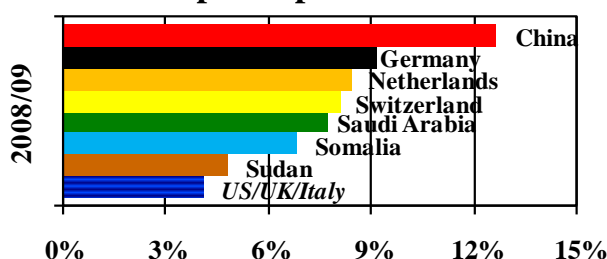
- Low Human Development ranking: 171th out of 182 countries from UNDP's Human Dvlpt Index
- Life expectancy is 53 to 55 years old
- Adult literacy rate is 36%
- Urban unemployment stands at 17% (2006)
- Percentage of population with access to safe water is 60%
- Low telecom penetration: 4.1 million mobile phones, 915,000 fixed telephone lines, and 77,000 Internet subscribers
- World Bank's Ease of Doing Business ranking: 107th out of 183 countries

U.S.-Ethiopia Trade

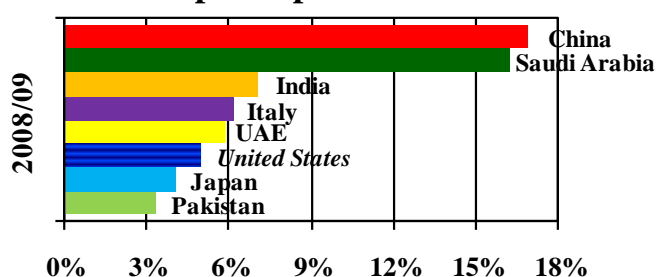
- The U.S. was the 6th largest import source (grain/machinery) and the 9th largest export destination (coffee/oil seeds) for Ethiopia in 2008/09
- Ethiopia's exports to U.S. were valued at \$113 million in 2009, a decrease of over 25% from 2008
- Ethiopia's AGOA exports to U.S. were \$12 million in 2009, down from \$18 million in 2008 *

(\$ Millions)	2008	2009
Eth. Exports to U.S.	\$ 152.2	\$ 112.9
Eth. Imports from U.S.	\$ 299.4	\$ 270.4
Total Trade U.S./Eth.	\$ 451.6	\$ 383.3

Ethiopia Export Destinations



Ethiopia Import Sources



Ethiopian Trade

- Government's priority sectors: coffee, leather; textile/garments, horticulture/floriculture, and agro-processing (oil seeds/pulses)
- Major exports: coffee, oil seeds, chat, flowers, leather and skins, and gold
- Export growth was flat in 2008/09, down from previous years of annual 18% to 24% growth
- Ethiopia suffers from a severe trade deficit, reaching \$6.3 billion in 2008/09 as it heavily relies on imports of petroleum, machinery, and metal products

(\$ Billions)	2007/08	2008/09
Total Exports	\$ 1.5	\$ 1.4
Total Imports	\$ 6.8	\$ 7.7
Trade Balance	-\$ 5.3	-\$ 6.3

U.S. Investment in Ethiopia

- U.S. businesses in Ethiopia are primarily involved in the following industries: soft drinks; construction equipment; real estate; agricultural machinery; farming; and engineering services
- Cumulative U.S. private investment in Ethiopia since 1992 totals approximately \$260 million
- U.S.-based Ethiopian Diaspora contribute 60% of the estimated \$1.8 billion in annual private transfers to individuals in Ethiopia
- U.S. is the top donor country providing assistance to Ethiopia—totalled \$900 million in 2009
- U.S. Agency for Int'l Dvlpt (USAID) supports various economic programs, including: World Trade Organization (WTO) accession project; AGOA+ program, Agribusiness & Trade Expansion Program (ATEP), Ethiopia Commodity Exchange (ECX), and the American Chamber of Commerce (AmCham) Ethiopia
- U.S. provides 17% of World Bank (WB) funding—Ethiopia's outstanding WB loans total about \$854 million and recent WB Public Basic Services (PBS) grants total \$540 million over three years
- U.S. provides 17% of International Monetary Fund (IMF) funding—Recent IMF loan amounts include \$241 million in 2009 and \$50 million in 2008
- U.S. also partially funds the African Development Bank, International Fund for Agricultural Development, and the Paris Club—Ethiopia's outstanding loans to these institutions total about \$933 million



Sources

- Quarterly Bulletin First Quarter 2008/09 Volume 24 No. 1, National Bank of Ethiopia
- Annual Report 2007/08, National Bank of Ethiopia
- Ethiopian Investment Agency
- Public Sector External Debt, Statistical Bulletin, April 2009, Ministry of Finance & Economic Development
- Doing Business 2010 Report, The World Bank Group
- The International Monetary Fund
- The Human Development Report 2009, United Nations Development Programme (UNDP)
- 2009 National Trade Estimate Report on Foreign Trade Barriers, Office of the U.S. Trade Representative
- United States International Trade Commission

* Note: The African Growth and Opportunity Act (AGOA) allows most Ethiopian exports to enter the U.S. market duty-free

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Fact Sheet is produced by the Political and Economic Section of the United States Embassy in Addis Ababa, Ethiopia

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